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CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

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BY CABLE

THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
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1. In May 1953, USIA officials were informed by Moscow that a large-scale investment program would be undertaken to modernize the USIA plants. Until that time, no important investments had been made and only a limited expenditure of funds earned in Austria had been permitted to keep the plants running.
2. Each plant submitted an investment program. The combined investment plan for the USIA complex was sent to Moscow within about ten days. It was conceived as a one year project.
3. The plan was approved in mid-1953. Moscow headquarters, however, reduced the planned investments and spread them over a three year period. Moscow officials were reportedly shocked by the amount of the estimated outlay required to modernize the USIA plants.
4. The total investment finally approved for USIA's electrical industry division (USIA-Kabel) was 142,000,000 Austrian schillings, of which 65 million were to be spent in 1953, 42 in 1954 and 35 in 1955. Kabel was one of three important USIA divisions receiving the bulk of investment funds. The other two were Marten and Podjomnik which received more than Kabel.

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